



17555 PEAK AVENUE MORGAN HILL, CALIFORNIA 95037

CITY OF MORGAN HILL
PARKS AND RECREATION COMMISSION

SPECIAL MEETING
APRIL 20, 2010

CALL TO ORDER

Chair Hardt-Mason called the meeting to order at 6:34 p.m.

ROLL CALL ATTENDANCE

Present: all

DECLARATION OF POSTING OF AGENDA

Chair Hardt-Mason certified that the meeting agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

None

ADOPTION OF AGENDA

Commissioner Cheek made a motion to adopt the agenda. Commissioner Leiser seconded the motion. Motion carried (6:0).

BUSINESS

1. Outdoor Sports Center Operator Proposals

Recommended Action: Recommend to the City Council that it select the Morgan Hill Youth Sports Alliance as the Outdoor Sports Center operator.

Rymer provided summary of process. Thanks to those who participated in RFP process, Staff and those attending the meeting. History of OSC. Powerpoint. Reviewed City objectives. Described RFP. Reviewed three proposals. Business Plan key part of RFP. Recommendation. Recent Actions. Supplements. Look at qualifications now. Compensation issues ironed out later.

Van Keulen – increase revenue and reduce staff costs was goal. Why disconnect with revenue? Did staff review financial resources/capabilities of each? Rymer said sub-committee addressed some of these items. Not in-depth, but preliminary yes.

Dave Mann – Executive Director CYSA –

Kelvin Thomas – Orchard Valley Board of Directors – greater community control and access to the OSC expressed by Youth Sports Alliance. CYSA 25 year record of success. Important financial engine for community. Support CYSA/Orchard Valley proposal. CYSA appreciates need to be more accommodating as community partner. CYSA guarantee \$10 turf fee and \$8.00 light fee. Accommodations also for Pop Warner – community obligation. Guarantee that Pop Warner plays home games at OSC and grass fields made available while Britton fields being sodded. CYSA has demonstrated that they will be a community partner. CYSA still will be primary weekend user in order to be economically feasible. Orchard Valley will take care of local scheduling. More local control of process. Supports next 3 years that local non-profits will have guaranteed rate of current pricing. OV more local control than in the past. CYSA proven ability to attract regional events. CYSA proven financial backing and fiscal responsibility.

Margaret Gordon, Accounting Manager for CYSA – Orchard valley will act as liaison to CYSA. Good relationship with OV. Powerpoint presented. Regional impact. Presence insures financial viability. Blend with regional and local. Reach out to local community and develop partnerships. Local businesses support CYSA.

David Dworkin – represents hotel community in MH – address economic impact that CYSA has. CYSA events generate 12% total hotel tax or \$200,000 to general fund. 2M a year in restaurants spends (40 days). Support CYSA to operate OSC. Expertise and financial backing.

Kathi Killion – CYSA built and maintained grass fields since 1981. Been CYSA's home. Want to continue great partnership with City and community. Look for home elsewhere.

Morgan Hill Youth Sports Alliance – Jeff Dixon – President – understand significant differences. Believe they exceed requirements. Powerpoint. Locals need weekends. 60/40. Majority to regional organizations in order to support business model and community. Open grass fields to community use M-F. Balance regional and local use. Diverse usage. Key is to understand that there is limited sports use at OSC. Diamond field users can realize some benefit. See 12 assets – 12 fields. Goal would be to run at 90% occupancy. Slide -“Home Field Program” – sensitive to costs to local sports leagues. Create local team. Financial support – snack bar and parking concessions. Host other events. Field Rental Pricing System. Market based pricing. Will honor hours and rates already made through end of year. Provided three year pro forma. Conservative planning. Presented org chart. Advisory Council. Strategy (slide). Grass field access for local players. What to do with money? Reinvest profits back into community to support kids, sports leagues, and programs. Best for City of Morgan Hill. Deal locally for contractors. Realize full value of OSC.

Public Comment:

Maurizio – restaurateur; great for his business. Leave as is.

Jim Green – fear out there that if MHYSA takes over leadership that soccer program will be excluded. He sees collaboration between both.

Chris Blocker – President of MH Pony Baseball. Proponent of insuring access to all users. Proponent of MHYSA. Benefits to youth sports community. Pony Baseball not able to make improvements at Britton.

Pony Baseball would love to have top notch facility and ability to have tournaments. Active volunteer base. Best organization to represent all needs of youth in community.

Rich Phillips – President of Pop Warner – concept of YSA brought to table. Fantastic idea. Opportunity for all leaders to sit down at same table and share goals and interest. Finally formed. Would like to see OSC managed by community group/Sports Alliance.

Todd Kimball – Coach with Orchard Valley and on OV Board. Supports multiple sports access. Sees opportunity to manage through sports alliance. Don't see CYSA going away. Supports MHYSA.

Victor Gaxiola – Resident and representative of Volunteer Morgan Hill. Supports MHYSA. Look beyond organization. Endorses Jeff Dixon. Integrity, character, and leadership of Jeff. Jeff is great ambassador of sports.

Laura Hagiperos – former PRC Commissioner. Grass had unlimited opportunities to increase opportunities for other sports. Not just soccer. MHYSA represents diversity. Sacrifice staff when considering another operator. Very serious decision. Make money and meet needs of community. Supports MHYSA.

Jorge Briones – not in attendance. Provided Letter of Support.

PC closed.

Commissioners ask questions of both organizations.

Lisa Aragon – rates - how do they compare in Morgan Hill to other sites that CYSA uses?

Leiser – CYSA hire local employee? Orchard Valley? Possibility. E-mails. Jack on board with Orchard Valley?

Marty – commercial use and naming rights? Vision? Karma Productions. Website advertising. Home in Morgan Hill. If MHYSA received operation would CYSA develop relationship? Looking for another place.

Van Keulen – if not operator will they move. Mann – would go shopping and use facility if it's the best deal. Looking for a home. Not prime grass fields if they aren't in good condition. Has to be limited use of grass fields. VK asked about Jack and his position. Mann said Jack is volunteer. Not paid according to Mann.

H-M – what if CYSA got long-term lease? What term is CYSA taking about? Mann 5-7 years if investing in improvements in order to write-off depreciation.

VK – what is intention of CYSA and Orchard Valley. If not operator will they continue to lease? Projections of MHYSA count on CYSA and Orchard Valley. Staying or going. Mann – will “probably” move.

Leiser – Orchard Valley make independent decision?

Jack said Orchard Valley would probably move off fields because cost would be prohibitive. They would look at other venues.

H-M –

VK – difference between \$10 and \$20 would be made up by volunteer hours according to Jeff Dixon.

H-M – CYSA cost to maintain grass fields would not be there if MHYSA ran it.

KL – asked Jack about being Home Field. VK cited example of tournament revenue generation provided by Jeff Dixon. Didn't show expenses. VK wanted OV comments on this example. Jack says from his experience you really come out even.

VK – Does CYSA make money at OSC? Mann says \$35,000 for parking revenue. Loosing \$45-60,000 per year. 30 days notice to Morgan Hill to move – CYSA committed to give City. Decided at Board meeting.

KL – CYSA has said that they will make fields more available to local teams. CYSA willing to work with other groups and rotate fields for increased usage, but will not destroy fields.

KL – asked Jeff Dixon how MHYSA will utilize fields without compromising integrity of grass? Asked Grass Farm for advice. Need some fescue. Best practices – seeding that can occur. Not fixed goal posts. Room for moveable goals. Rotate resting period – one field rests for 6 weeks. Water in morning. MHYSA believes that fields can be used more without loss of quality. Dave (MHYSA). Jeff says that need to develop an implementation plan for rotating fields. VK – if MHYSA wants to retain CYSA how do they hope to provide field useage. Example on page 2 – two methodologies. Field hours needed to run tournaments. VK – have to use all fields to have tournament. Not practical. VK – concerned about ruining fields.

KL – large soccer community – explain what home field program will do to offset increase in rates? JD – existing organizations will have ability to retain rates for 6 months/extend for one year. Phase into operations. New organizations with no existing relationship will pay new rates. Negotiating with City for lease. KL – opportunities for teams to offset cost? JD – fundraising – community collaborations. Offering professional business management expertise. See net field reduction – not lower rate but other opportunities to generate revenue, i.e. parking.

LA – capitol expenditures already invested by CYSA. How will MHYSA handle this? Start up capital lease back from CYSA to use those items. Grass Farms will lease at attractive rates what is needed. LA explain \$244,000 for event prep and clean-up? JD – costs are for labor costs/staffing. Home field partners could volunteer to offset their costs. Would give volunteer organization same labor rate. Credit towards account.

MC – UPERV management group supporting partnership? Provided letter of support. Explain regional marketing approach. JD – partner with Chamber network. Advertising package to network to promote as

regional destination. Grants & Corporate sponsorships? As non-profit will pursue grants and get in their cycle. JD - sponsorships are underway. MC – relationship with MHUSD? Opportunities for after-school sports. Could use fields to help rest fields on school property. MC – commercial enterprise what is plan to “spread wealth”? Strategy is to look at total marketing approach and put together hotel/restaurants packages for booking events. Required to hand-out brochures. In and out parking privileges. Possible aquatics revenue. MC asked about naming rights. JF – not in pro forma but described things that could be done. MC - relationship between CYSA and MHYSA. What can we do? JD – hopes are not high. Shame to loose OVYS. Try to find way to make it work. (Orchard Valley is not in MHYSA) MC – what would relationship with CYSA be if CYSA got the contract? JD – work with anybody and everybody to benefit community. Would continue to do so.

VK – PRC responsibility to ask all the questions. Org chart / board doesn’t seem broad. JD – strategy in putting board together was that board members not beholding to any similar sports organization. Will add 4 more members to board. VK – pro forma \$153,000 for salaries. JD – need to hire people. 3 paid FTE’s. Services/Facilities/Site Director. VK – questions about operating expenses. What is backing; no cash reserves. JD – keep other organizations if possible. VK – City not able to get sponsorships. How do you expect to? Sign on fence for nominal fee.

VK – CYSA offering scholarships? Andrea Salvemini – Orchard Valley has scholarship program.

JD – no fee. Free service. To become member of MHYSA.

MC – Mustang Soccer letter. Great interest in getting into facility. Get to work on commitments received in writing.

KL – make decision quickly. Appreciates CYSA and MHYSA. Market Morgan Hill.

VK – did soccer groups know that there was a “conflict” with CYSA when they provided support? JD - position was made clear. Would it change their commitment if CYSA went somewhere else?

H-M – take 5 minute break.

9:25 call back to order.

H-M – to JD new information – CYSA comfortable with what they’ve said.

Re-open Public Comment – Dave Dworkin – re: letters of support. Not supporting one over the other.(?)
Grass issues – not about grass, but about soil.

Troy Carson – Orchard Valley will stay. JS does not run Orchard Valley. CYSA has made money. Truth. Tournaments and parking make money.

Caesar Jimenez – soccer coach. OVYS is not broken. Alternate grass. Maybe increase use a little. Some pristine. Some not so great. Think of the kids. What’s best for kids. Money. Like Orchard Valley prices. Don’t know what they’ll do if they go up.

Close PC on 9:35.

Commission Discussion:

KL – thank everyone; is about kids. Differing opinions, but interest in kids, youth and fitness. City growing. Communication very important. MHYSA getting teams talking to each other. Recommend support this. Not an expert. Leave it to the experts. Recommend MHYSA and encourage cooperation with other sports teams in town and reach agreement with CYSA and bring OV on board.

LA – thank staff. Thank CYSA for all they've done. Son never played on OSC field. Supports use of community fields. Like non-profit model of MHYSA. Volunteer in the community. Support MHYSA.

MC – When on Council agenda? SR - Recommendation on April 28th. Tough decision. Does not want to see CYSA leave Morgan Hill. Great relationship. Concerned about their leaving if don't get management. Jeff Dixons dedication. Promoting diversity of sports. Likes relationship developing. Encourage bridge building . Believes CYSA will benefit. Support MHYSA.

VK – JD has great vision and great appeal. Economic situation means we have to focus on numbers and what we have in hand. MHYSA proposal seen through those glasses and not right time to take a chance. CYSA supports OSC and MH businesses. Financial it is too speculative and too dependent on CYSA and Orchard Valley. If they pull out, the financial engine goes away of CYSA and OV goes away. Does not support that risk. Supports CYSA's management of OSC. Significant capital might be leaving.

H-M – same concerns ask Craig. Still have process. Negotiations still continue. City will have to tackle how will MHYSA financially handle this. Recommend that they spend significant amount of time working on this. Very concerned. Still a little behind. Hope CYSA will look at this as something good. Enhance regional services, but most importantly Orchard Valley. Work out things with CYSA and Orchard Valley before decision is made.

Motion: MC approve recommendation that City staff made. LA second. VK nay. All others Aye

Announcements. Update from MHUSD. Work Plan.

Adjourned. 9:57.

FUTURE COMMISSION INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

There being no further business, Chair Hardt-Mason adjourned the meeting to the next Regular Parks & Recreation Commission meeting on **May 18, 2010 at 7:00 p.m.** in City Council Chambers, City Hall, 17555 Peak Avenue, Morgan Hill.

MINUTES RECORDED and PREPARED BY:

PRC Vice Chair Kimberly Leiser